

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01816A
Spanish Trail Water Co.
2200 E. River Road, Suite 115
Tucson AZ 85718

APR 29 2005

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2004 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 04 |
|-------|----|

COMPANY INFORMATION

| | | | |
|--|-----------------------------|------------------------------------|--|
| Company Name (Business Name) <u>Spanish Trail Water Company</u> | | | |
| Mailing Address <u>4572 E. Camp Lowell Drive</u> | | | |
| (Street) | | | |
| <u>Tucson</u> | <u>AZ</u> | <u>85712</u> | |
| (City) | (State) | (Zip) | |
| <u>(520) 577-2616</u> | <u>(520) 299-5602</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| Local Office Mailing Address <u>2200 E. River Road, Suite 115</u> | | | |
| (Street) | | | |
| <u>Tucson</u> | <u>AZ</u> | <u>85718</u> | |
| (City) | (State) | (Zip) | |
| <u>(520) 577-2616</u> | <u>(520) 299-5602</u> | | |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |

MANAGEMENT INFORMATION

| | | | |
|---|-----------------------------|------------------------------------|--------------|
| Management Contact: <u>Diane Davis</u> | | | |
| <u>4572 E. Camp Lowell Drive</u> | <u>Tucson</u> | <u>AZ</u> | <u>85712</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>(520) 577-2616</u> | <u>(520) 319-6560</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address <u>ddavis17@earthlink.net ddavis@camplowell.com</u> | | | |
| On Site Manager: <u>Chris Monson</u> | | | |
| (Name) | | | |
| <u>4572 E. Camp Lowell Drive</u> | <u>Tucson</u> | <u>AZ</u> | <u>85712</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>(520) 577-2616</u> | <u>(520) 319-6560</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |



Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert Fortuno

(Name)

4572 E. Camp Lowell Drive

Tucson

AZ

85712

(Street)

(City)

(State)

(Zip)

(520) 299-4610

(520) 299-2602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael McNulty, Lewis and Roca

(Name)

1 S. Church Avenue, #700

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

(520) 629-4453

(520) 879-4732

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

☐ APACHE

☐ GILA

☐ COCHISE

☐ COCONINO

☐ LA PAZ

☐ GRAHAM

☐ GREENLEE

☐ NAVAJO

☐ MARICOPA

☐ MOHAVE

☐ SANTA CRUZ

☒ PIMA

☐ PINAL

☐ STATEWIDE

☐ YAVAPAI

☐ YUMA

Company Name: Spanish Trail Water Company

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|----------------------|--|-------------------------------|--|----------------------------------|
| 301 | Organization Cost | 3,394 | 1,615 | 1,779 |
| 302 | Franchise Cost | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 1,594 | 1,475 | 119 |
| 307 | Wells and Springs | 54,160 | 37,790 | 16,370 |
| 311 | Electric Pumping Equipment | 70,377 | 50,621 | 19,756 |
| 320 | Water Treatment Equipment | | | |
| 320.1 | Water Treatment Plants | | | |
| 320.2 | Solution Chemical Feeders | | | |
| 330 | Distribution Reservoirs and Standpipes | 16,526 | 15,298 | 1,228 |
| 330.1 | Storage Tanks | | | |
| 330.2 | Pressure Tanks | | | |
| 331 | Transmission and Distribution Mains | 462,083 | 191,819 | 270,264 |
| 333 | Services | 14,337 | 13,272 | 1,065 |
| 334 | Meters and Meter Installations | 37,902 | 14,006 | 23,896 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 340.1 | Computers and Software | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools and Work Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communications Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 660,373 | 325,896 | 334,477 |

This amount goes on the Balance sheet Acct. No. 108

Company Name: Spanish Trail Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2)* | Depreciation Expense (1x2) |
|----------------------|--|------------------------------|---|---------------------------------------|
| 301 | Organization Cost | 3,394 | 0.00% | |
| 302 | Franchise Cost | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 1,594 | 5.00% | 80 |
| 307 | Wells and Springs | 54,160 | 5.00% | 2,708 |
| 311 | Electric Pumping Equipment | 70,377 | 5.00% | 3,519 |
| 320 | Water Treatment Equipment | | | |
| 320.1 | Water Treatment Plants | | | |
| 320.2 | Solution Chemical Feeders | | | |
| 330 | Distribution Reservoirs and Standpipes | 16,526 | 5.00% | 826 |
| 330.1 | Storage Tanks | | | |
| 330.2 | Pressure Tanks | | | |
| 331 | Transmission and Distribution Mains | 462,083 | 5.00% | 23,104 |
| 333 | Services | 14,337 | 5.00% | 717 |
| 334 | Meters and Meter Installations | 37,902 | 5.00% | 1,844 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Fixtures | | | |
| 340.1 | Computers and Software | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools and Work Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communications Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 660,373 | | 32,798 |

This amount goes on Comparative Statement of Income and Expense Acct No. 403.

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

Company Name: Spanish Trail Water Company

BALANCE SHEET

| Acct. No. | | BALANCE AT BEGINNING OF YEAR (RESTATED)* | BALANCE AT END OF YEAR |
|--------------|---|--|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 13,310 | \$ 100,236 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 10,850 | 10,665 |
| 146 | Notes/Receivables from Associated Companies | 877,396 | 219,349 |
| 151 | Plant Materials & Supply Inventory | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | - | - |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 901,556 | \$ 330,250 |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 658,323 | \$ 660,373 |
| 103 | Property Held for Future Use | 12,000 | 12,000 |
| 105 | Construction Work in Progress | 236,271 | 236,271 |
| 108 | Accumulated Depreciation - Utility Plant | (293,098) | (325,896) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation - Utility Plant | | |
| | TOTAL FIXED ASSETS | \$ 613,496 | \$ 582,748 |
| | | | |
| | TOTAL ASSETS | \$ 1,515,052 | \$ 912,998 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

* Restated to correct Utility Plant in Service, Construction in Process, and Accumulated Depreciation.

Company Name: Spanish Trail Water Company

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR (RESTATED)* | BALANCE AT END OF YEAR |
|--------------|--|--|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 53,925 | \$ 28,329 |
| 232 | Notes Payable (Current Portion) | | 100,000 |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Meter Deposits | 32,404 | 32,779 |
| 236 | Accrued Taxes | 458 | 6,417 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 3,802 | 4,130 |
| | TOTAL CURRENT LIABILITIES | \$ 90,589 | \$ 171,655 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | | |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | | |
| 252 | Advances in Aid of Construction | 307,628 | 305,969 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Gross Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Taxes | | |
| | TOTAL DEFERRED CREDITS | \$ 307,628 | \$ 305,969 |
| | TOTAL LIABILITIES | \$ 398,217 | \$ 477,624 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock | \$ 1,000 | \$ 1,000 |
| 211 | Paid in Capital | 3,615,222 | 3,615,222 |
| 215 | Retained Earnings | (2,499,387) | (3,180,848) |
| 218 | Proprietary Capital (Sole Props. And Partnerships) | | |
| | TOTAL CAPITAL | \$ 1,116,835 | \$ 435,374 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 1,515,052 | \$ 912,998 |

* Restated to correct Utility Plant in Service, Construction in Process, and Accumulated Depreciation.

Company Name: Spanish Trail Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|----------------------|---|-------------------|---------------------|
| 461 | Metered Water Sales | \$ 122,954 | \$ 121,327 |
| 460 | Other Water Sales | | |
| 471 | Other Operating Income | - | |
| | TOTAL REVENUES | \$ 122,954 | \$ 121,327 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | | |
| 610 | Purchased Water | 22,290 | 28,329 |
| 615 | Purchased Pumping Power | 11,826 | 12,557 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | 10,787 | 11,084 |
| 621 | Office Supplies and Expense | 148 | 118 |
| 630 | Outside Services | 51,484 | 62,259 |
| 635 | Water Testing | 3,575 | 3,530 |
| 641 | Rents | | |
| 650 | Transportation Expense | | |
| 657 | Insurance - General Liability | | |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense - Rate Case | | |
| 675 | Miscellaneous Expenses | 2,881 | 1,499 |
| 403 | Depreciation Expense | 41,021 | 32,798 |
| 408 | Taxes other than Income | 115,720 | 103,697 |
| 408.11 | Property Tax | 571 | 11,916 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 260,303 | \$ 267,787 |
| | | | |
| | OPERATING INCOME (LOSS) | \$ (137,349) | \$ (146,460) |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | | |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | | |
| | TOTAL OTHER INCOME (EXPENSE) | \$ - | \$ - |
| | | | |
| | NET INCOME (LOSS) | \$ (137,349) | \$ (146,460) |

COMPANY NAME Spanish Trail Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$32,779

Meter Deposits Refunded During the Test Year

\$3,765

COMPANY NAME Spanish Trail Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-622249 | 5 | 37 | | 8 | | |
| 55-622256 | 40 | 400 | | 12 | | |
| 55-536560 | 20 | 360 | | 12 | | 1993 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 25 | 2 | 27-ASA | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 20,000 | 1 | 1,000 | 1 |
| | | 2,000 | 1 |
| | | 3,000 | 1 |
| | | | |

COMPANY NAME Spanish Trail Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | | |
| 3 | | |
| 4 | PVC/AC | 12,910 |
| 5 | | |
| 6 | AC | 31,520 |
| 8 | | 11,950 |
| 10 | | |
| 12 | C900PVC | 6,200 |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 318 |
| 3/4 | 10 |
| 1 | 5 |
| 1 1/2 | |
| 2 | 2 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Spanish Trail Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLONS PUMPED (Thousands) |
|-----------|---------------------|--------------|-------------------------------|
| JANUARY | 326 | 2,777,000 | 3,054,950 |
| FEBRUARY | 327 | 2,299,270 | 2,539,360 |
| MARCH | 327 | 3,458,520 | 3,513,810 |
| APRIL | 328 | 3,213,190 | 3,627,930 |
| MAY | 329 | 5,942,060 | 5,301,390 |
| JUNE | 329 | 5,230,300 | 6,081,080 |
| JULY | 328 | 5,429,710 | 5,949,520 |
| AUGUST | 330 | 4,787,310 | 4,823,660 |
| SEPTEMBER | 329 | 3,924,240 | 4,523,860 |
| OCTOBER | 327 | 4,346,240 | 4,221,860 |
| NOVEMBER | 338 | 3,561,767 | 3,591,540 |
| DECEMBER | 339 | 2,739,523 | 2,966,540 |
| TOTAL | | 47,709,130 | 50,195,500 |

Is the water utility located in an ADRW Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR gallons per capita (GPCD) requirement?

☐ Yes ☒ No

If Yes, please provide the GPCD amount: _____

What is the level of arsenic for each well on your system.

Rocking K Well, < 0.002 mg/l

York Well, <0.002 mg/l

Barn Well, <0.002 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Spanish Trail Water Company YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$5,988.25

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Spanish Trail Water Company

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

| | |
|---|----------|
| Federal Taxable Income Reported | <u>0</u> |
| Estimated or Actual Federal Tax Liability | <u>0</u> |

| | |
|---|----------|
| State Taxable Income Reported | <u>0</u> |
| Estimated or Actual State Tax Liability | <u>0</u> |

Amount of Grossed-Up Contributions/Advances:

| | |
|---|----------|
| Amount of Contributions/Advances | <u>0</u> |
| Amount of Gross-Up Tax Collected | <u>0</u> |
| Total Grossed-Up Contributions/Advances | <u>0</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE4/28/05
DATEChris Monson
PRINTED NAMEPresident
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 29 2005

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

| |
|------------------------------------|
| COUNTY OF (COUNTY NAME) |
| <u>Pima</u> |
| NAME (OWNER OR OFFICIAL) TITLE |
| <u>Chris Monson, President</u> |
| COMPANY NAME |
| <u>Spanish Trail Water Company</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2004</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 121,327

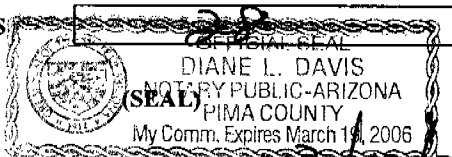
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7,214
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 DAY OF



MY COMMISSION EXPIRES 2/19/2006

Chris Monson
SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

| |
|--------------|
| COUNTY NAME |
| <u>Pima</u> |
| MONTH |
| <u>April</u> |
| YEAR |
| <u>2005</u> |

Diane L. Davis
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

APR 29 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|------------------|
| COUNTY OF (COUNTY NAME) Pima | |
| NAME (OWNER OR OFFICIAL) Chris Monson | President |
| COMPANY NAME Spanish Trail Water Company | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 121,327

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$7,214
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

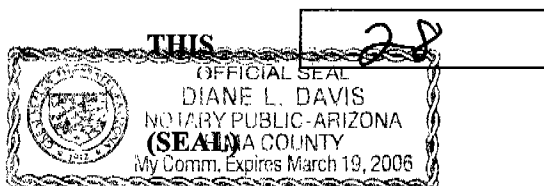

SIGNATURE OF OWNER OR OFFICIAL

(520) 577-2616

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

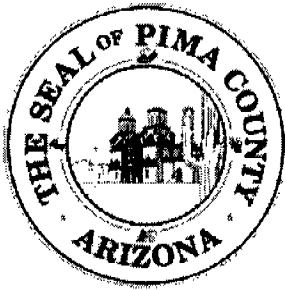


MY COMMISSION EXPIRES

3/19/2006

| | |
|---|-------------|
| NOTARY PUBLIC NAME Diane L. Davis | |
| COUNTY NAME Pima | |
| MONTH April | 2005 |

X 
SIGNATURE OF NOTARY PUBLIC



Beth Ford Pima County Treasurer

Parcel: 20586061A 1 Total Taxes: \$18.02 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|------------|-------------|
| Tax Due: | \$0.00 | \$0.00 |
| Date Paid: | 10/29/2004 | 10/29/2004 |
| Method: | CK | CK |
| Tax Paid: | \$18.02 | \$0.00 |
| Paid By: | 01 | 01 |
| Trans Type: | A | A |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD # 115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

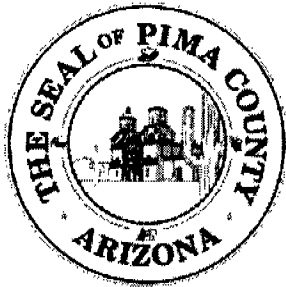
| | First Half | Second Half | Total Year |
|--------------------------|------------|-------------|------------|
| Taxes: | \$0.00 | \$0.00 | \$0.00 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |
| NSF Fees | | | \$0.00 |
| Reclaimed Refunds | | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$0.00 |

Legal Description:

WELLSITE IN SW4 SE4 1.21 AC SEC 15-15-16
(CP 7734/970-977)
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2003 \$18.48
2002 \$10,345.54
2001 \$7,256.14
2000 \$5,439.22
1999 \$4,430.22



Beth Ford Pima County Treasurer

Parcel: 20572002B 8 Total Taxes: \$899.70 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|------------|-------------|
| Tax Due: | \$0.00 | \$449.85 |
| Date Paid: | 10/29/2004 | |
| Method: | CK | |
| Tax Paid: | \$449.85 | \$0.00 |
| Paid By: | 01 | |
| Trans Type: | A | |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

ROCKING K HOLDINGS LTD PARTNERSHIP
75% &
RINCON VALLEY HOLDINGS LTD PRTRNSHP
25%
2200 E RIVER RD STE 115
TUCSON AZ 85718

TAX DUE SUMMARY

| | First Half | Second Half | Total Year |
|--------------------------|------------|-------------|------------|
| Taxes: | \$0.00 | \$449.85 | \$449.85 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$449.85 | \$449.85 |
| NSF Fees | | | \$0.00 |
| Reclaimed Refunds | | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$449.85 |

Property Address:

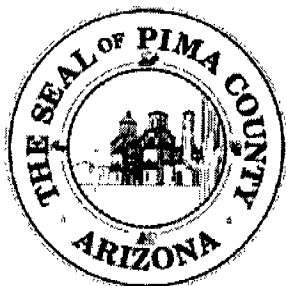
13381 E OLD SPANISH TR

Legal Description:

PT OF N440' W550' NE4 NE4 LYG NELY OF OLD
SPANISH TRAIL 3.59 AC SEC 21-15-16
(7661/1940 & 1987)

HISTORY TAX ROLL CHANGE

2003 \$508.52
2002 \$512.84
2001 \$516.52
2000 \$517.72
1999 \$514.34



Beth Ford Pima County Treasurer

Parcel: 20581033B 4 Total Taxes: \$21.31 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

| | First Half | Second Half |
|----------------|------------|-------------|
| Tax Due: | \$0.00 | \$0.00 |
| Date Paid: | 10/29/2004 | 10/29/2004 |
| Method: | CK | CK |
| Tax Paid: | \$21.31 | \$0.00 |
| Paid By: | 01 | 01 |
| Trans Type: | A | A |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD # 115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

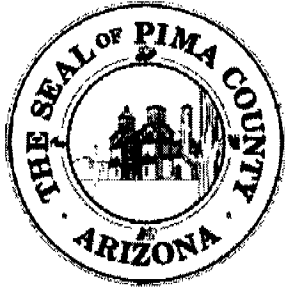
| | First Half | Second Half | Total Year |
|-------------------------|------------|-------------|---------------|
| Taxes: | \$0.00 | \$0.00 | \$0.00 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |
| NSF Fees | | | \$0.00 |
| Reclaimed Refunds | | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$0.00 |

Legal Description:

RANCHOS PEQUENOS WELLSITE IN LOT 20
(CP: D 7734 P 970-977 3/5/86)
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06
1999 \$21.96



Beth Ford Pima County Treasurer

Parcel: 205820120 8 Total Taxes: \$21.31 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|------------|-------------|
| Tax Due: | \$0.00 | \$0.00 |
| Date Paid: | 10/29/2004 | 10/29/2004 |
| Method: | CK | CK |
| Tax Paid: | \$21.31 | \$0.00 |
| Paid By: | 01 | 01 |
| Trans Type: | A | A |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD # 115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

| | First Half | Second Half | Total Year |
|--------------------------|------------|-------------|------------|
| Taxes: | \$0.00 | \$0.00 | \$0.00 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |
| NSF Fees | | | \$0.00 |
| Reclaimed Refunds | | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$0.00 |

Legal Description:

CASERIO VIEJO LOT 12 (WELL SITE)
(CP: D 7734 P 970-977 3/5/86)
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06
1999 \$21.96